

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

SEONGJAE YOON, Individually And On  
Behalf Of All Others Similarly Situated,

Plaintiff,

v.

MALIBU BOATS, INC., JACK SPRINGER,  
BRUCE BECKMAN, DAVID BLACK, and  
WAYNE WILSON,

Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

**DEMAND FOR JURY TRIAL**

Plaintiff Seongjae Yoon (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Malibu Boats, Inc. (“Malibu Boats” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Malibu Boats; and (c) review of other publicly available information concerning Malibu Boats.

#### **NATURE OF THE ACTION AND OVERVIEW**

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Malibu Boats securities between November 4, 2022 and April 11, 2024, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Malibu Boats is a designer, manufacturer, and marketer of recreational powerboats, including performance sport, sterndrive, and outboard boats. The Company purports to be a market leader in the performance sport boat category through its Malibu and Axis boat brands. The Company sells boats via a network of independent dealers, including dealers operating under the common control of Tommy’s Boats (“Tommy’s”). In fiscal year 2023, sales to Tommy’s dealers represented approximately 10.7% of the Company’s consolidated net sales and approximately 23.3% of consolidated sales for Malibu brand boats.

3. On February 20, 2024, before the market opened, Malibu Boats announced the Company’s Chief Executive Officer (“CEO”), Defendant Jack Springer (“Springer”), had “mutually agreed” to cease to serve as CEO.

4. On this news, the Company’s stock price fell \$4.33 or 9.1%, to close at \$43.15 per share on February 20, 2024, on unusually heavy trading volume.

5. Then, on April 11, 2024, after the market closed, Malibu Boats revealed that Tommy’s had filed a complaint against the Company.<sup>1</sup> After the Company disclosed news of the lawsuit, various media outlets publicized the Complaint, which alleged the Company “engaged in an elaborate scheme” to “pump nearly \$100 million” worth of inventory into Tommy dealerships since late 2022 to “artificially inflate Malibu’s sales performance.” According to the Complaint, Malibu Boats forced the Company’s highest priced, highest margin, slow moving “Malibu” branded inventory (as opposed to the lower-margin, but faster moving “Axis” brand) onto Tommy’s dealerships. Malibu Boats recognizes a sale when the dealer takes delivery of the boat, regardless of whether it has been sold to the end user. As a result, this scheme enabled the Company to represent that it experienced strong wholesale demand and sales, even as sales to the end user declined. The Complaint revealed that, approximately one week prior to the Company announcing the separation with Defendant Springer, certain “Malibu stakeholders” admitted to the principal of Tommy’s dealerships that Malibu was in fact “intentionally pumping Tommy’s full of inventory.” The Complaint further alleged the Company withheld payment of incentives from Tommy’s for nearly two years before suddenly cutting ties with Tommy’s.

6. On this news, the Company’s stock price fell \$3.34, or 7.99%, to close at \$38.48 per share on April 12, 2024, on unusually heavy trading volume. The Company’s common stock price continued to fall the next consecutive trading session, falling \$2.34 or 6% to close at \$36.14 per share on April 15, on unusually heavy trading volume.

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<sup>1</sup> The complaint was filed in the United States District Court for the Eastern District of Tennessee, styled as *Tommy’s Castaic, LLC et al v. Malibu Boats, Inc. et al*, Case 3:24-cv-00166 (the “Complaint”).

7. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Malibu Boats engaged in an "elaborate scheme to over manufacture and pump nearly \$100 million of its highest priced, highest margin, slow moving boat inventory into fifteen [] Tommy's dealerships"; (2) that, as a result, the Company artificially inflated Malibu's sales performance, market share, and stock value; (3) that the Company was withholding certain incentives and rebates from its dealers; (4) that, as a result of the foregoing, the Company faced substantial risk of litigation from one of its top dealers, Tommy's; (5) that the Company's CEO departed due to this role in this scheme; and (6) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

8. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

#### **JURISDICTION AND VENUE**

9. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein,

including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District.

12. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

### **PARTIES**

13. Plaintiff Seongjae Yoon, as set forth in the accompanying certification, incorporated by reference herein, purchased Malibu Boats securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

14. Defendant Malibu Boats is incorporated under the laws of Delaware with its principal executive offices located in Loudon, Tennessee. Malibu Boats' common stock trade on the NASDAQ exchange under the symbol "MBUU."

15. Defendant Jack Springer ("Springer") was the Company's Chief Executive Officer ("CEO") at all relevant times. On February 20, 2024 the Company announced Defendant Springer would be departing as CEO "on or before May 17, 2024."

16. Defendant Bruce Beckman ("Beckman") has been the Company's Chief Financial Officer ("CFO") since November 27, 2023.

17. Defendant David Black ("Black"), served as the Company's Interim CFO from May 12, 2023 until November 27, 2023.

18. Defendant Wayne Wilson ("Wilson") served as the Company's CFO from approximately September 2009 until May 12, 2023.

19. Defendants Springer, Beckman, Black, and Wilson (together, the “Individual Defendants”), because of their positions with the Company, possessed the power and authority to control the contents of the Company’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

### **SUBSTANTIVE ALLEGATIONS**

#### **Background**

20. Malibu Boats is a designer, manufacturer, and marketer of recreational powerboats, including performance sport, sterndrive, and outboard boats. The Company purports to be a market leader in the performance sport boat category through its Malibu and Axis boat brands.

21. The Company sells eight brands of boats, but its flagship product is the Malibu boat, which is purportedly designed for premium performance, comfort, and convenience. The Axis boats are “a more affordable sport boat product but still demand high performance, functional simplicity, and the option to upgrade key features.”

22. The Company sells boats via a network of independent dealers, including dealers operating under the common control of Tommy’s. In fiscal year 2023, sales to Tommy’s dealers represented approximately 10.7% of the Company’s consolidated net sales and approximately 23.3% of consolidated sales for Malibu brand boats.

23. According to the Company's SEC filings, Malibu Boats recognizes revenue when "control of promised goods (boats, parts, or other) is transferred to the customer." As "[d]ealers generally have not rights to return unsold boats," Malibu Boats recognizes revenue upon the delivery of the boat to the dealer.

**Materially False and Misleading  
Statements Issued During the Class Period**

24. The Class Period begins on November 4, 2022. On that day, Malibu Boats announced its financial results for its first quarter 2023 ended September 30, 2022 in a press release which reported, in relevant part:<sup>2</sup>

**First Quarter Fiscal 2023 Highlights Compared to First Quarter Fiscal 2022:**

- Net sales increased 19.2% to \$302.2 million
- Unit volume increased 10.5% to 2,237 units
- Gross profit increased 24.9% to \$74.6 million
- Net income increased 29.3% to \$36.1 million
- Adjusted EBITDA increased 27.6% to \$57.1 million
- Net income available to Class A Common Stock per share (diluted) increased 32.0% to \$1.69 per share
- Adjusted fully distributed net income per share increased 30.7% to \$1.79 per share on a fully distributed weighted average share count of 21.3 million shares of Class A Common Stock

\* \* \*

"Supported by the continued strength across our brands, we maintained our momentum and delivered a record first quarter for fiscal year 2023, with net sales increasing 19.2%, net income increasing 29.3% and Adjusted EBITDA growing 27.6% compared to the prior year period. Our operating model, vertical integration capabilities and strategic leadership continue to shine through, helping us execute on our objectives and remain a market leader in the marine industry," commented Jack Springer, Chief Executive Officer of Malibu Boats, Inc.

25. On November 4, 2022, the Company submitted its quarterly report for the period ended September 30, 2022 on a Form 10-Q filed with the SEC, affirming the previously reported financial results (the "1Q23 10-Q"). The 1Q23 10-Q reported \$11 million in accrued dealer

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<sup>2</sup> Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

incentives expenses as of September 30, 2022. The 1Q23 10-Q represented that the Company's revenue recognition included in relevant part "boat and trailer sales" which consisted of "sales of boats and trailers to the Company's dealer network, net of sales returns, discounts, rebates and free flooring incentives."

26. The 1Q23 10-Q stated in relevant part, that the Company "aim[s] to increase our market share across the boating categories in which we compete through new product development, improved distribution, new models, and innovative features." The 1Q23 10-Q also represented the Company's inventory and channels, in relevant part:

Dealer inventories were lower than historical levels throughout fiscal years 2021 and 2022, as a result of an increase in retail sales during fiscal year 2021, constrained production in the first half of fiscal year 2021, and our lower wholesale shipment levels during the second half of fiscal year 2020. Fiscal year 2022 retail demand continued at a strong pace, albeit at lower levels than the record fiscal year 2021 levels, in spite of limited inventory. During fiscal year 2022, year-over-year increases in wholesale production and decreases in retail demand levels relative to fiscal year 2021 combined to increase inventory levels modestly at our Malibu and Cobalt segment dealers by the end of the fiscal year. ***Dealer inventories continue to be well below historical levels and a full recovery to historical inventory levels will depend on the ability of our supply chain to provide materials to us timely and the level of retail demand during the upcoming year.***

27. On February 7, 2023, Malibu Boats announced its financial results for the second quarter 2023 ended December 31, 2022 in a press release, which reported, in relevant part:

**Second Quarter Fiscal 2023 Highlights Compared to Second Quarter Fiscal 2022:**

- Net sales increased 28.4% to \$338.7 million
- Unit volume increased 17.7% to 2,439 units
- Gross profit increased 19.0% to \$75.7 million
- Net income increased 17.5% to \$36.4 million
- Adjusted EBITDA increased 19.7% to \$57.6 million
- Net income available to Class A Common Stock per share (diluted) increased 22.0% to \$1.72 per share
- Adjusted fully distributed net income per share increased 22.0% to \$1.83 per share on a fully distributed weighted-average share count of 21.3 million shares of Class A Common Stock

\* \* \*

“We once again delivered a fantastic quarter as our momentum continued with net sales increasing 28.4%, net income rising 17.5%, and Adjusted EBITDA growing 19.7% compared to the prior year. Our performance further solidifies our position as a trailblazer and innovator, while also demonstrating our ability to adapt and grow in the current environment,” commented Jack Springer, Chief Executive Officer of Malibu Boats, Inc.

*“We are also encouraged by the resilient consumer appetite for large, feature-rich boats, which is evidenced by the strong demand we are seeing for our saltwater segment at regional boat shows across the country. While macro conditions remain uncertain, we are beginning to see incremental improvements across the supply chain, which we believe will allow channel inventory to normalize in the second half of the fiscal year for our Malibu and Cobalt segments and in the first half of fiscal 2024 for our Saltwater Fishing segment.*

We remain confident in our ability to execute in any macro environment, and we will continue to leverage the horsepower of our unmatched operational capabilities, vertical integration efforts, and visionary team to deliver profitable growth and long-term value for our shareholders,” continued Mr. Springer.

28. On February 7, 2023, the Company submitted its quarterly report for the period ended December 31, 2022 on a Form 10-Q filed with the SEC, affirming the previously reported financial results (the “2Q23 10-Q”). The 2Q23 10-Q reported \$17.3 million in quarterly accrued expenses for dealer incentives as of December 31, 2022. The 2Q23 10-Q reported, in relevant part, the following concerning the Company’s channels and inventory levels the Company was experiencing:

Dealer inventories continue to be below historical levels and a full recovery to historical inventory levels will depend on the ability of our supply chain to provide materials to us timely and the level of retail demand during the upcoming year.

\* \* \*

*Current inventory levels at our dealers are still below pre-pandemic levels. The primary drivers for our restocking timing will be the retail demand for our products and our ability to increase production in light of ongoing supply chain challenges.* Any meaningful increases or decreases in retail demand and improvements or degradations in supply chain logistics will be the key drivers of the speed of inventory restocking that will drive our wholesale production in the second half of fiscal year 2023. While retail activity at our dealers trended lower during the first half of fiscal year 2023, given low inventory levels at the beginning of the fiscal year, we expect wholesale demand to continue through the end of fiscal

year 2023 and, with respect to certain brands, potentially beyond, in order to restock our dealer inventories. With respect to supply, we believe supply chain disruptions will continue to challenge some of our production output through at least the remainder of fiscal year 2023, with the ultimate duration and magnitude of these supply chain challenges being unknown. However, we have begun to notice incremental improvements across our supply chain. As a result, we believe our dealer inventory levels may begin to normalize in the second half of fiscal year 2023 for our Malibu and Cobalt segments and in the first half of fiscal 2024 for our Saltwater Fishing segment.

29. On May 3, 2023, Malibu Boats announced its financial results for the third quarter 2023 ended March 31, 2023 in a press release, which reported, in relevant part:

**Third Quarter Fiscal 2023 Highlights Compared to Third Quarter Fiscal 2022:**

- Net sales increased 9.0% to \$375.1 million
- Unit volume increased 2.9% to 2,637 units
- Gross profit increased 1.5% to \$98.6 million
- Net income decreased 2.5% to \$53.5 million
- Adjusted EBITDA decreased 0.6% to \$79.3 million
- Net income available to Class A Common Stock per share (diluted) remained flat at \$2.51 per share
- Adjusted fully distributed net income per share decreased 0.8% to \$2.59 per share on a fully distributed weighted-average share count of 21.3 million shares of Class A Common Stock

\* \* \*

“We delivered another solid quarter with sales growing 9.0% for another record quarter and net income and adjusted EBITDA coming in as expected. Our operational execution has been, and will continue to be, the hallmark of our success. The Malibu team demonstrated their resilience as we navigated through a, at times, choppy fiscal third quarter. *We have made great strides in normalizing our channel inventory, particularly within our Malibu and Cobalt segments, allowing our dealers to be poised to satisfy customer demand as we enter the prime selling season.* Within our Saltwater Fishing segment, demand throughout the boat show season was unwavering and at peak levels for the larger shows, and we feel particularly well positioned in this growing segment,” commented Jack Springer, Chief Executive Officer of Malibu Boats, Inc.

30. On May 3, 2023, the Company submitted its quarterly report for the period ended March 31, 2023 on a Form 10-Q filed with the SEC, affirming the previously reported financial results. Moreover, the report stated the following, in relevant part, concerning dealer inventory and demand:

*Dealer inventories began fiscal year 2023 below historical levels and over the course of the year have continued to normalize towards historical levels. We currently believe the Malibu and Cobalt inventory at our dealers is near historical seasonally adjusted levels and that the Saltwater Fishing inventory will approach historical seasonally adjusted levels shortly.*

\* \* \*

*Current inventory levels at our dealers are normalizing to pre-pandemic levels across all segments.* While retail activity at our dealers trended lower during the first half of fiscal year 2023, given low inventory levels at the beginning of the fiscal year, we continued to experience strong wholesale demand through the third quarter of fiscal year 2023. *As channel inventory becomes more normalized, we believe wholesale demand will become more directly dependent on the underlying retail activity for our products.* As a result, we believe our wholesale demand in the upcoming quarters will largely be driven by the retail activity for our products during our fourth fiscal quarter of 2023 and into the first fiscal quarter of 2024.

31. On August 29, 2023, Malibu Boats announced its financial results for its fourth quarter and fiscal year 2023 ended June 30, 2023 in a press release, which reported, in relevant part:

#### **Fourth Quarter Fiscal 2023 Highlights Compared to Fourth Quarter Fiscal 2022**

- Net sales increased 5.4% to \$372.3 million
- Unit volume decreased 1.8% to 2,550 units
- Gross profit increased 14.3% to \$102.5 million
- General and administrative expenses increased to \$118.0 million primarily due to our settlement of a litigation matter for \$100.0 million, which we expect will be tax deductible for federal and state income tax purposes
- Net income decreased 136.3% to a net loss of \$18.0 million
- Adjusted EBITDA increased 21.9% to \$90.1 million
- Net income available to Class A Common Stock per share (diluted) decreased 137.2% to a net loss of \$0.86 per share
- Adjusted fully distributed net income per share increased 22.6% to \$2.98 per share on a fully distributed weighted average share count of 21.3 million shares of Class A Common Stock

#### **Fiscal Year 2023 Highlights Compared to Fiscal Year 2022**

- Net sales increased 14.3% to \$1,388.4 million
- Unit volume increased 6.6% to 9,863 units
- Gross profit increased 13.3% to \$351.3 million
- General and administrative expenses increased to \$175.7 million primarily due to our settlement of a litigation matter for \$100.0 million, which we expect will be tax deductible for federal and state income tax purposes
- Net income decreased 34.0% to \$107.9 million

- Adjusted EBITDA increased 15.2% to \$284.0 million
- Net income available to Class A Common Stock per share (diluted) decreased 32.6% to \$5.06 per share
- Adjusted fully distributed net income per share increased 16.2% to \$9.19 on a fully distributed weighted average share count of 21.3 million shares of Class A Common Stock

\* \* \*

“Malibu closed out another solid quarter and fiscal year despite a challenging environment. For the fiscal year, we delivered a 14% increase in net sales while improving many of our other financial and operational metrics. Our financial and operational performance continues to demonstrate the strength of our business model and world-class team. *We've made great strides to meet demand throughout the fiscal year as we ramped up production through our first three quarters and reached normalized channel inventories faster than anticipated.* Despite the uncertain macro environment, we remain confident in our operational prowess to match wholesale and retail demand and provide what we believe are the highest quality boats on the market,” commented Jack Springer, Chief Executive Officer of Malibu Boats, Inc.

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*Our unit volume increased primarily due to strong wholesale restocking demand across our Cobalt and Saltwater Fishing segments, partially offset by reduced wholesale restocking demand at our Malibu segment.*

32. On August 29, 2023, the Company submitted its annual report for the fiscal year ended June 30, 2023 on a Form 10-K filed with the SEC, affirming the previously reported financial results (the “FY23 10-K”). The FY23 10-K reported \$14.99 million in accrued expenses arising from dealer incentives as of June 30, 2023. The FY23 10-K stated, in relevant, the following concerning the Company’s inventory levels:

*Current inventory levels at our Malibu and Cobalt dealers have returned to pre-pandemic levels and at our Saltwater Fishing dealers are continuing to normalize to pre-pandemic levels. While retail activity at our dealers trended lower during fiscal year 2023, given low inventory levels at the beginning of the fiscal year, we continued to experience strong wholesale demand throughout the first three quarters of fiscal year 2023. As channel inventory becomes more normalized, we believe wholesale demand will become more directly dependent on the underlying retail activity for our products.* As a result, we believe our wholesale demand in the upcoming quarters will largely be driven by the retail activity for our products into the first half of fiscal year 2024.

33. On September 15, 2023, the Company submitted its Annual Report to Shareholders on a form ARS to the SEC, which reiterated the Company's prior statements concerning the inventory levels and reported the Company's positive market share gains, stating in relevant part:

Our success is a testament to the drive and commitment of our outstanding team, as we *matched wholesale to retail demand and normalized our channels to meet the needs of our large, feature-rich boats. While the retail environment remained uncertain during fiscal year 2023, along with rising interest rates and weather-driven order delays, we persevered. We continued to gain market share across a number of our brands as we led the way with cutting edge product design and innovation.* Further, we achieved record-setting net sales and adjusted EBITDA in fiscal year 2023 while continuing to meet our 20% adjusted EBITDA margin target [and recorded net income of \$107.9 million].

34. On October 31, 2023, Malibu Boats announced its financial results for the first quarter 2024 ended September 30, 2023 in a press release, which stated in relevant part:

**First Quarter Fiscal 2024 Highlights Compared to First Quarter Fiscal 2023:**

- Net sales decreased 15.3% to \$255.8 million
- Unit volume decreased 24.1% to 1,698 units
- Gross profit decreased 23.9% to \$56.8 million
- Net income decreased 42.5% to \$20.8 million
- Adjusted EBITDA decreased 31.7% to \$39.0 million
- Net income available to Class A Common Stock per share (diluted) decreased 42.0% to \$0.98 per share
- Adjusted fully distributed net income per share decreased 36.9% to \$1.13 per share on a fully distributed weighted-average share count of 21.3 million shares of Class A Common Stock

35. On October 31, 2023, the Company submitted its quarterly report for the period ended September 30, 2023 on a Form 10-Q filed with the SEC, affirming the previously reported financial results (the "1Q24 10-Q"). The 1Q24 10-Q reported \$18.5 million in accrued expenses arising from dealer incentives as of September 30, 2023. The 1Q24 10-Q also reported the following concerning the Company's channel and inventory levels as well as demand:

*Current inventory levels have now stabilized to pre-pandemic levels across all of our segments.* While retail activity at our dealers trended lower during fiscal year 2023, given low inventory levels at the beginning of the fiscal year, *we continued to experience strong wholesale demand throughout the first three quarters of*

*fiscal year 2023. Now, as channel inventory is normalized,* we believe wholesale demand will be directly dependent on the underlying retail activity for our products into the first half of fiscal year 2024.

36. On January 30, 2024, Malibu Boats announced its financial results for the second quarter 2024 ended December 31, 2023 in a press release, which stated in relevant part:

**Second Quarter Fiscal 2024 Highlights Compared to Second Quarter Fiscal 2023:**

- Net sales decreased 37.7% to \$211.1 million
- Unit volume decreased 43.7% to 1,373 units
- Gross profit decreased 50.5% to \$37.5 million
- Net income decreased 72.1% to \$10.1 million
- Adjusted EBITDA decreased 60.2% to \$22.9 million
- Net income available to Class A Common Stock per share (diluted) decreased 71.5% to \$0.49 per share
- Adjusted fully distributed net income per share decreased 68.9% to \$0.57 per share on a fully distributed weighted-average share count of 21.1 million shares of Class A Common Stock

37. On January 30, 2024, the Company submitted its quarterly report for the period ended December 31, 2023 on a Form 10-Q filed with the SEC, affirming the previously reported financial results (the “2Q24 10-Q”). The 2Q24 10-Q reported the Company had accrued \$21.9 million in dealer incentives as of December 31, 2023. The 2Q24 10-K also reported the factors effecting the Company’s net sales, stating in relevant part:

Net sales for the six months ended December 31, 2023 decreased \$174.0 million, or 27.2%, to \$466.9 million as compared to the six months ended December 31, 2022. *The decrease in net sales was driven primarily by decreased unit volumes across all segments resulting primarily from decreased retail demand and increased dealer flooring program costs across all segments resulting from higher interest rates and increased inventory levels, partially offset by a favorable model mix across all segments and inflation-driven year-over-year price increases.* Unit volume for the six months ended December 31, 2023, decreased 1,605 units, or 34.3%, to 3,071 units as compared to the six months ended December 31, 2022. Our unit volume decreased primarily due to lower wholesale shipments across all segments driven by lower retail activity during the period.

38. The above statements identified in ¶¶ 24-37 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations,

and prospects. Specifically, Defendants failed to disclose to investors: (1) that Malibu Boats engaged in an “elaborate scheme to over manufacture and pump nearly \$100 million of its highest priced, highest margin, slow moving boat inventory into fifteen [] Tommy’s dealerships”; (2) that, as a result, the Company artificially inflated Malibu’s sales performance, market share, and stock value; (3) that the Company was withholding certain incentives and rebates from its dealers; (4) that, as a result of the foregoing, the Company faced substantial risk of litigation from one of its top dealers, Tommy’s; (5) that the Company’s CEO departed due to his role in this scheme; and (6) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

39. The truth began to emerge on February 20, 2024, before the market opened, when Malibu Boats suddenly announced the Company and Defendant Springer had “mutually agreed” Defendant Springer would cease to serve as CEO. As part of the transition the Company announced it was “undertaking” a search for a new CEO. Specifically, the Company stated:

On February 15, 2024, Malibu Boats, Inc. (the “Company”) and Mr. Jack Springer ***mutually agreed*** that Mr. Springer will cease to serve as Chief Executive Officer, ***effective May 17, 2024 or at such earlier time as the Board may determine*** (the “Transition Effective Time”), and accordingly the Company and Mr. Springer entered into a Transition, Release and Consulting Agreement (the “Transition Agreement”). Mr. Springer also will resign as a member of the Company’s Board of Directors (the “Board”), effective at the Transition Effective Time.

40. On this news, the Company’s stock price fell \$4.33 or 9.1%, to close at \$43.15 per share on February 20, 2024, on unusually heavy trading volume.

41. The above statements identified in ¶ 39 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Malibu Boats engaged in an “elaborate scheme to over manufacture and pump nearly \$100 million of its highest priced, highest margin, slow moving boat inventory into fifteen [] Tommy’s dealerships”; (2) that, as a

result, the Company artificially inflated Malibu’s sales performance, market share, and stock value; (3) that the Company was withholding certain incentives and rebates from its dealers; (4) that, as a result of the foregoing, the Company faced substantial risk of litigation from one of its top dealers, Tommy’s; (5) that the Company’s CEO departed due to this role in this scheme; and (6) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

**Disclosures at the End of the Class Period**

42. Then, on April 11, 2024, after the market closed, Malibu Boats revealed that Tommy’s had filed the Complaint against the Company. After the Company disclosed news of the lawsuit, various media outlets publicized the Complaint, which alleged the Company “engaged in an elaborate scheme” to “pump nearly \$100 million” worth of inventory into Tommy dealerships since late 2022 to “artificially inflate Malibu’s sales performance.” According to the Complaint, Malibu Boats forced the Company’s highest priced, highest margin, slow moving “Malibu” branded inventory (as opposed to the lower margin, but faster moving “Axis” brand) onto Tommy’s dealerships. As a result, this scheme enabled the Company to represent that it experienced strong wholesale demand and sales, even as sales to the end user declined. The Complaint revealed that, approximately one week prior to the Company announcing the separation with Defendant Springer, certain “Malibu stakeholders” admitted to the principal of Tommy’s dealerships that Malibu was in fact “intentionally pumping Tommy’s full of inventory,” but advised Tommy’s to “hold on” as “Jack [Springer] is not going to last.” The Complaint further alleged the Company withheld payment of incentives from Tommy’s for nearly two years before suddenly cutting ties with Tommy’s.

43. On this news, the Company’s stock price fell \$3.34 or 7.99%, to close at \$38.48 per share on April 12, 2023, on unusually heavy trading volume. The Company’s common stock price

continued to fall the next available trading day, falling \$2.34 or 6% to close at \$36.14 per share on April 15, on unusually heavy trading volume.

### **CLASS ACTION ALLEGATIONS**

44. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Malibu Boats securities between November 4, 2022 and April 11, 2024, inclusive , and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

45. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Malibu Boats’ stock actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Malibu Boats shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by Malibu Boats or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

46. Plaintiff’s claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants’ wrongful conduct in violation of federal law that is complained of herein.

47. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

48. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) whether the federal securities laws were violated by Defendants' acts as alleged herein;
- (b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Malibu Boats; and
- (c) to what extent the members of the Class have sustained damages and the proper measure of damages.

49. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

#### **UNDISCLOSED ADVERSE FACTS**

50. The market for Malibu Boats' securities was open, well-developed, and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Malibu Boats' securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Malibu Boats' securities relying upon the integrity of the market price of the Company's securities and market information relating to Malibu Boats, and have been damaged thereby.

51. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Malibu Boats' securities, by publicly issuing false and/or misleading

statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Malibu Boats' business, operations, and prospects as alleged herein.

52. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Malibu Boats' financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

#### **LOSS CAUSATION**

53. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

54. During the Class Period, Plaintiff and the Class purchased Malibu Boats' securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

### **SCIENTER ALLEGATIONS**

55. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Malibu Boats, their control over, and/or receipt and/or modification of Malibu Boats' allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Malibu Boats, participated in the fraudulent scheme alleged herein.

### **APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-THE-MARKET DOCTRINE)**

56. The market for Malibu Boats' securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Malibu Boats' securities traded at artificially inflated prices during the Class Period. On February 2, 2023, the Company's stock price closed at a Class Period high of \$65.17 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Malibu Boats' securities and market information relating to Malibu Boats, and have been damaged thereby.

57. During the Class Period, the artificial inflation of Malibu Boats' stock was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading

statements about Malibu Boats' business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Malibu Boats and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

58. At all relevant times, the market for Malibu Boats' securities was an efficient market for the following reasons, among others:

- (a) Malibu Boats stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;
- (b) As a regulated issuer, Malibu Boats filed periodic public reports with the SEC and/or the NASDAQ;
- (c) Malibu Boats regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or
- (d) Malibu Boats was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

59. As a result of the foregoing, the market for Malibu Boats' securities promptly digested current information regarding Malibu Boats from all publicly available sources and

reflected such information in Malibu Boats' stock price. Under these circumstances, all purchasers of Malibu Boats' securities during the Class Period suffered similar injury through their purchase of Malibu Boats' securities at artificially inflated prices and a presumption of reliance applies.

60. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

#### **NO SAFE HARBOR**

61. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker

had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Malibu Boats who knew that the statement was false when made.

**FIRST CLAIM**

**Violation of Section 10(b) of The Exchange Act and**

**Rule 10b-5 Promulgated Thereunder**

**Against All Defendants**

62. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

63. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Malibu Boats' securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

64. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Malibu Boats' securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

65. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a

continuous course of conduct to conceal adverse material information about Malibu Boats' financial well-being and prospects, as specified herein.

66. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Malibu Boats' value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Malibu Boats and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

67. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

68. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Malibu Boats' financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

69. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Malibu Boats' securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Malibu Boats' securities during the Class Period at artificially high prices and were damaged thereby.

70. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems

that Malibu Boats was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Malibu Boats securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

71. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

72. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

## **SECOND CLAIM**

### **Violation of Section 20(a) of The Exchange Act**

#### **Against the Individual Defendants**

73. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

74. Individual Defendants acted as controlling persons of Malibu Boats within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were

issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

75. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

76. As set forth above, Malibu Boats and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: April 29, 2024

/s/ Gregory B. Linkh

**GLANCY PRONGAY & MURRAY LLP**

Gregory B. Linkh (GL-0477)

Rebecca Dawson

230 Park Ave, Suite 358

New York, New York 10169

Telephone: (212) 682-5340

Facsimile: (212) 884-0988

Email: [glinkh@glancylaw.com](mailto:glinkh@glancylaw.com)

[rdawson@glancylaw.com](mailto:rdawson@glancylaw.com)

Robert V. Prongay

Charles H. Linehan

1925 Century Park East, Suite 2100

Los Angeles, CA 90067

Telephone: (310) 201-9150

Facsimile: (310) 201-9160

**THE LAW OFFICES OF FRANK R. CRUZ**

Frank R. Cruz

2121 Avenue of the Stars, Suite 800

Century City, CA 90067

Telephone: (310) 914-5007

*Counsel for Plaintiff Seongjae Yoon*

**SWORN CERTIFICATION OF PLAINTIFF**

**MALIBU BOATS, INC. SECURITIES LITIGATION**

I, Seongjae Yoon, certify that:

1. I have reviewed the Complaint, adopt its allegations, and authorize the filing of a Lead Plaintiff motion on my behalf.
2. I did not purchase the Malibu Boats, Inc. securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Malibu Boats, Inc. securities during the Class Period set forth in the Complaint are as follows:

(See attached transactions)

5. I have not sought to serve, nor served, as a representative party on behalf of a class under this title during the last three years, except for the following:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing are true and correct statements.

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4/25/2024

Date



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Seongjae Yoon

**Seongjae Yoon's Transactions in Malibu Boats, Inc. (MBUU)**

Date	Transaction Type	Quantity	Unit Price
3/28/2024	Bought	1,310	\$42.6700